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FM AMEMBASSY SINGAPORE
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4271
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 2655
RUEHBY/AMEMBASSY CANBERRA 2001
RUEHNE/AMEMBASSY NEW DELHI 1845
RUEHOT/AMEMBASSY OTTAWA 0293
RUEHFR/AMEMBASSY PARIS 0303
RUEHUL/AMEMBASSY SEOUL 4108
RUEHKO/AMEMBASSY TOKYO 5726
RUEHWL/AMEMBASSY WELLINGTON 1362
RUEATRS/DEPT OF TREASURY WASHDC
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RUCNDT/USMISSION USUN NEW YORK 0102
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C O N F I D E N T I A L SECTION 01 OF 02 SINGAPORE 001941

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TAGS: [PGOV](#) [PHUM](#) [CVIS](#) [ETRD](#) [ETTC](#) [EFIN](#) [BM](#) [SN](#)

SUBJECT: U.S. SANCTIONS AGAINST BURMA - DEMARCHE DELIVERED

REF: A. STATE 146862

[1](#)B. SINGAPORE 1890

[1](#)C. SINGAPORE 1911

Classified By: DCM Daniel Shields; reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: Singapore is looking carefully at the Burmese individuals and Burma-linked entities recently designated by the U.S. Government, MFA Permanent Secretary Bilahari Kausikan told the DCM during an October 22 meeting. Kausikan was responding to Ref A message providing information on U.S. sanctions and calling on Singapore to step up the pressure on the regime and to consider restricting senior regime leaders' access to financial services. Kausikan said Foreign Minister Yeo will visit China and Japan in his capacity as ASEAN Chair to prepare for the East Asia Summit and reinforce Gambari's message on Burma. FM Yeo is also trying to arrange a visit to India to pursue this agenda, Kausikan said. End Summary.

[1](#)2. (C) The DCM met with MFA Permanent Secretary Bilahari Kausikan on October 22 to deliver Ref A message providing information on U.S. sanctions and calling on Singapore to step up the pressure on the regime and to consider restricting senior regime leaders' access to financial services. Kausikan responded that Singapore is concerned about reputational risks for its banking sector and will take necessary action in accordance with domestic and international laws. Singapore is looking carefully at the Burmese individuals and Burma-linked entities recently designated by Treasury with an eye to detecting any violation of Singapore law. Singapore has adequate safeguards, such as suspicious transaction reporting requirements, to prevent abuse of its financial system. For banks, Burma is analogous to the DPRK (when North Korean financial activities came under closer scrutiny beginning in 2005.) Financial institutions will have to decide whether their broader business dealings with the United States are more important than those with Burma, he said. Regarding companies other than banks, Kausikan said he had not heard of the U.S.-designated companies either based in or linked to Singapore. He speculated that these companies probably have little if any business dealings with

the United States. If that is the case, the issue will be whether the companies are in compliance with Singapore's domestic laws, Kausikan said.

13. (C) Kausikan could not confirm rumors that Burmese money is moving out of Singapore under mounting international pressure on the junta, but said he would not be surprised if it is (ref B). The Burmese regime presumably is seeking to move assets to other jurisdictions with less stringent requirements than Singapore for combating money laundering and other illicit activities, he said. Kausikan stated that Singapore is reluctant to take action against financial institutions unless there is specific evidence that ill-gotten gains are involved. He said the GOS will investigate thoroughly any information that the United States Government provides.

ASEAN Envoy Concept - Lack of Enthusiasm by Gambari

14. (C) Kausikan said Gambari told him on October 21 that Gambari is "not enthusiastic" about the ASEAN envoy idea. Gambari is concerned that creation of an ASEAN envoy would result in multiple channels that will complicate dialogue with the GOB, Kausikan said (ref C). Kausikan urged that the United States allow time for Gambari to engage the regime through his next visit to Rangoon. Singapore's approach is to do whatever will help Gambari, he concluded.

Next Steps for ASEAN

15. (C) Asked what else ASEAN can do to increase pressure on

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the Burmese regime, Kausikan said that ASEAN is sending strong signals to the junta. ASEAN will rely on its "moral authority" and continue to issue strong statements on Burma. Foreign Minister Yeo will visit China and Japan in his capacity as ASEAN Chair to prepare for the East Asia Summit and reinforce Gambari's message. FM Yeo is also trying to arrange a visit to India to pursue this agenda, he said. Kausikan told the DCM that it is difficult for any ASEAN member to impose sanctions on Burma and that there is "no way" ASEAN will suspend Burma from the organization; certain ASEAN members in particular hold firmly to the principle of non-interference. He noted that the ASEAN Charter is silent on the matter of expulsion or suspension, leaving this to the discretion of ASEAN's leaders.

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